



GLADSTONE PACIFIC NICKEL LTD

31 March 2009

Gladstone Pacific Nickel Ltd

(ACN 104 261 887)

Proposed merger agreement lapsed

Gladstone Pacific Nickel Ltd (“GPNL” or “the Company”) (AIM: GPN) signed a Scheme Implementation Agreement (“SIA”) with Resource Development International Ltd (“RDI”) in August 2008 that envisaged GPNL and RDI merging subject to the listing of RDI on the Hong Kong Stock Exchange (“HKSE”). RDI is a company controlled by Mr Clive Palmer, the previous chairman of GPNL and of which Mr Domenic Martino, a current director of GPNL, is a director.

As announced on 15 December 2008, the Board of GPNL agreed to extend the date for achievement of the listing of RDI on the HKSE to 31 March 2009. The SIA has now lapsed and GPNL and RDI do not intend to extend the current merger agreement beyond the 31 March 2009 deadline.

The Chairman of RDI, Mr Palmer, has advised GPNL that “the RDI Hong Kong listing is on hold and is now expected to take place in the last half of 2009”.

As announced on 30 January 2008, GPNL executed a Memorandum of Understanding (“MOU”) for the development of its Gladstone Nickel Project (the “Project”) with China Metallurgical Construction (Group) Corporation (“MCC”). GPNL continues to work actively with MCC, to progress the Gladstone Project, independent of any potential plans with RDI.

Mr Palmer will continue to have the right, up to 8 December 2010, to earn 28,645,233 shares in GPNL (through the Company’s arrangements with Dasines Pty Ltd, a wholly owned company of Mr Palmer) upon achieving certain milestones, being a legally binding turn key construction agreement and a financing agreement for the Project.

The CEO John Downie stated that “although capital markets and commodity prices are under pressure it is important that investors understand the strong economics of the Project and the opportunities to reduce capital costs in this new economic climate.”

For further information please contact:

John Downie, CEO - Gladstone Pacific Nickel Ltd
Fiona Owen - Grant Thornton UK LLP
John Prior – Arbuthnot Securities

Tel: +61 (0) 7 3231 7100
Tel: +44 207 383 5100
Tel: +44 207 012 2000

Email: info@gladstonepacific.com.au

Gladstone Pacific Nickel Limited (GPNL) is an Australian mining development company presently undertaking an Integrated Definitive Feasibility Study (IDFS) for the Gladstone Nickel Project (GNP). The Company's vision is to build a major long-life nickel cobalt refinery at the deepwater Port of Gladstone, in Central Queensland, Australia, treating abundant high grade nickel laterite ores from New Caledonia and other south-west Pacific islands, underpinned by beneficiated ores from its own Marlborough deposits. The Project has the potential to be one of the largest of its type in the world producing some 126,000 tpa nickel (8 - 10% of global nickel demand) and 10,400 tpa of cobalt metal from its first two stages.

This news release includes certain statements that may be deemed "forward-looking statements". All statements in this news release, other than statements of historical facts, that address future exploration drilling, exploration activities and events or developments that the Company expects, are forward looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include metal prices, exploration success, continued availability of capital and financing, and general economic, market or business conditions.